

ID: CCA\_2012071914260649

Number: **201239008**

Office:

Release Date: 9/28/2012

UILC: 170.14-00

---

**From:**

**Sent:** Thursday, July 19, 2012 2:26:07 PM

**To:**

**Cc:**

**Subject:** Contiguous/enhancement question

I understand that there is some confusion about whether the enhancement rule should be applied to property being valued under the contiguous property rule in Treas. Reg. § 1.170A-14(h)(3)(i). It should not. If valuation under the contiguous property rule is appropriate, the enhancement rule should not also be applied to the same property that is already being valued under the contiguous property rule.